

The Broker Game Plan

Discover Strategies to Win
in Asset Finance

November 2023

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 CAPITAL FINANCE



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About this report

Economic and social factors, along with business trends, are creating opportunities for asset finance brokers, particularly for those who aim to redefine their strategies and foster stronger business relationships

This report reveals the key traits of successful asset finance brokers and how brokers can implement these strategies to their business.

This is our first report that delves into the role of asset finance brokers to stimulate thinking about the keys to success in the industry. It focuses on how brokers allocate their time and resources effectively to help their business thrive.

Research for this report was conducted in March 2023. We worked with brokers nationwide, all specialising in asset finance, as well as representatives from four different lenders.

We have explored:

- Developing relationships with aggregators or lenders to **grow knowledge and expertise**
- Establishing **strong business fundamentals** to underpin business operations; and
- Using **technology and systems** to drive efficiency and increase business performance



A message from our Head of Connective Asset Finance

I am thrilled to introduce our latest research report, a comprehensive exploration of what makes a successful asset finance broker

Despite continually rising interest rates and global supply chain constraints on equipment and machine lead times, leading brokers are finding ways to service their clients and increase their volumes. This ability to rise above macroeconomic fluctuations is a testament to the maturity of our industry and talks to the expertise and capability of brokers.

As business activity, investment and consumer sentiment picks back up after COVID-19, borrowers now have higher expectations of their brokers. Successful asset finance brokers demonstrate extensive product and policy knowledge, positioning themselves as specialists in helping their clients achieve their goals.

Our report uncovered 3 key themes that high-performing asset finance brokers excelled at:

1. Fostering Knowledge – building relationships and networking.
2. Broker Fundamentals – focusing on commission structures and managing compliance requirements.
3. Technology and Systems – investing in digital tools specialised for asset finance.

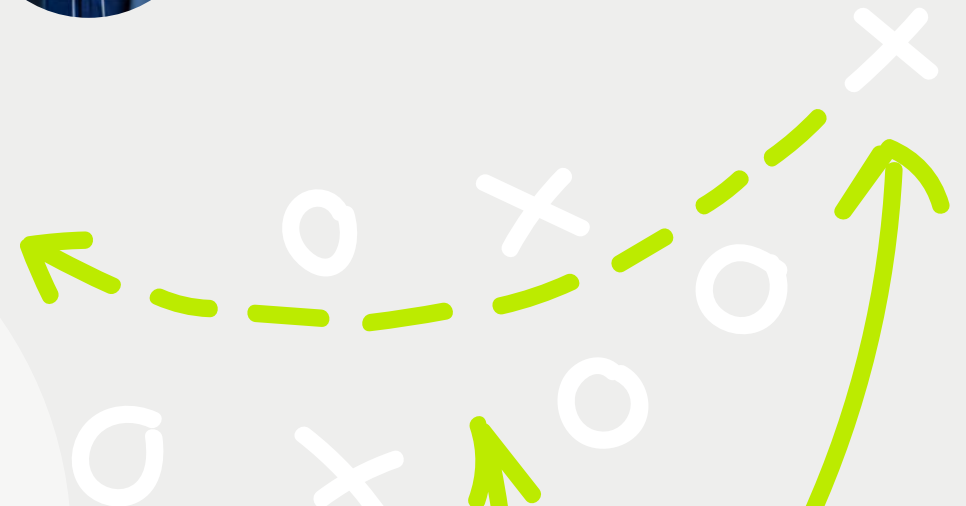
The dynamic economic landscape provides exceptional opportunities for asset finance brokers. Those who embrace innovation and build strong relationships are primed for success.

I hope you find this report interesting and take away actionable strategies to add even more value to your business and your clients.



Brent Starrenburg

Head of Connective Asset Finance



A message from Westpac Group

As one of Australia's leading financial institutions, Westpac Group is proud to sponsor this Connective report on Asset Finance. The report provides an analysis of the current landscape, future opportunities, and key success traits for Asset Finance Brokers in Australia

The Asset Finance industry plays a crucial role in Australia's economic growth by providing businesses with the necessary funding to acquire assets, thereby driving productivity and innovation. As the industry continues to evolve, brokers are uniquely positioned to bridge the gap between lenders and borrowers, facilitating transactions and ensuring businesses have access to the most appropriate financing options available.

In recent years, we have witnessed significant changes in the industry, driven by technological advancements, regulatory shifts, supply chain issues and changing customer expectations. These changes present both challenges and opportunities for brokers. By staying abreast of industry trends and adapting to the changing landscape, brokers can enhance their service offerings, improve customer satisfaction, and ultimately drive business growth.

This report aims to equip brokers with the insights needed to navigate these changes and seize the opportunities that lie ahead. It explores key ideas shaping the industry, provides practical strategies for success, and highlights the critical role that brokers play in Australia's Asset Finance landscape.

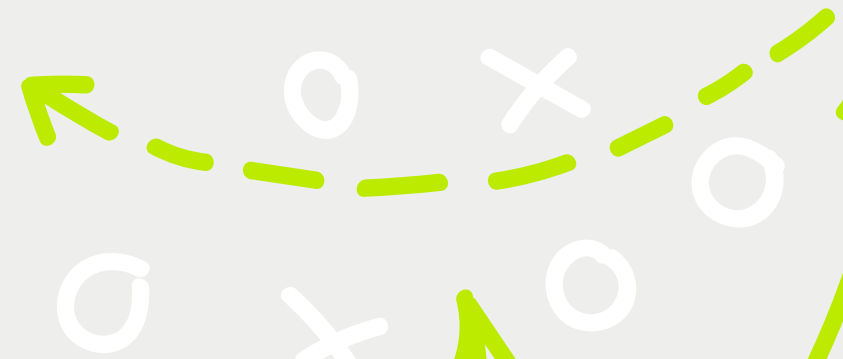
At the Westpac Group we believe that with the right tools and insights, brokers can continue to thrive in this dynamic industry. We hope this report serves as a valuable resource for brokers seeking to enhance their practice and deliver exceptional value to their clients.

We look forward to supporting you on your journey towards success in the Asset Finance industry.



Greg Pell

National General Manager, Westpac Group






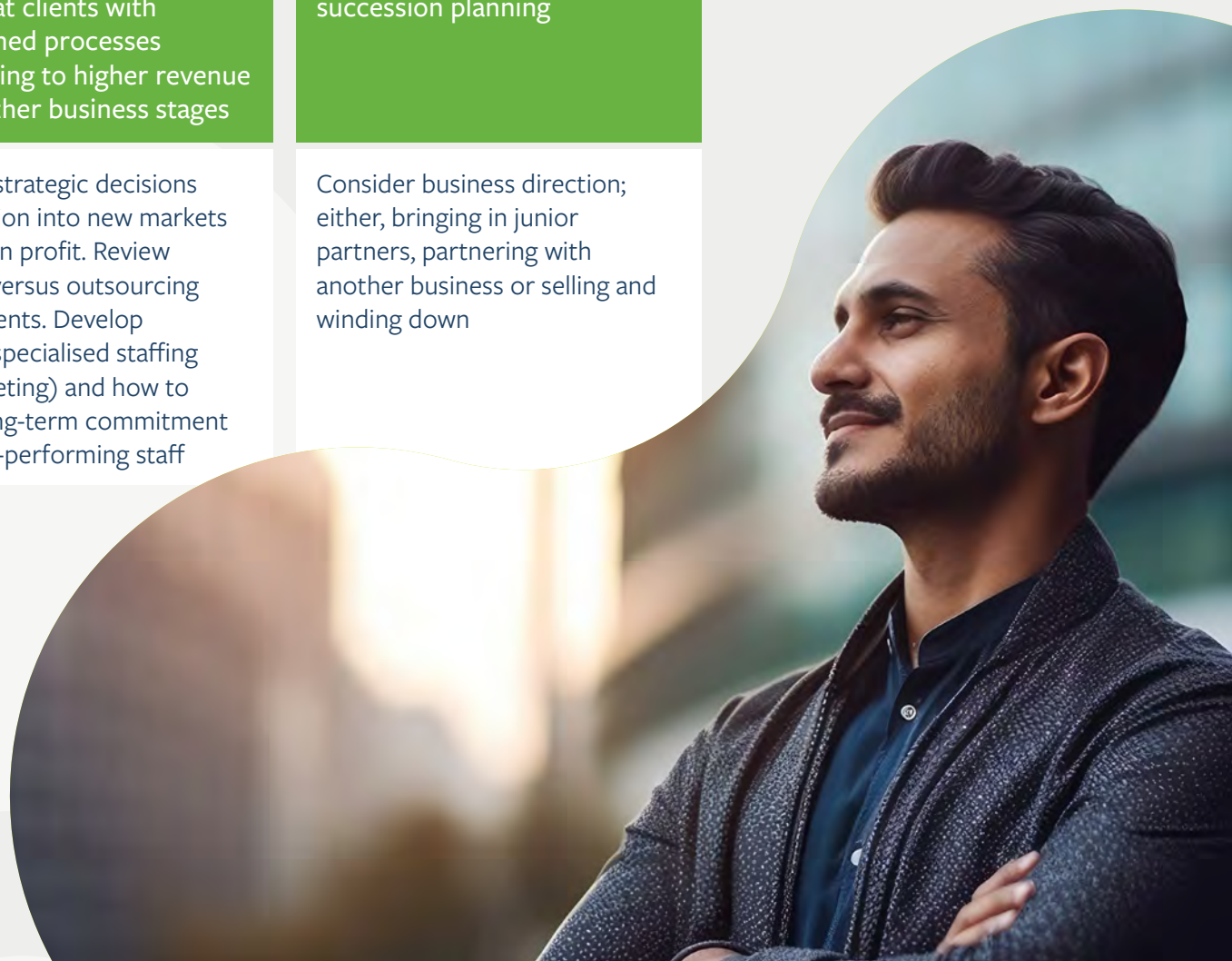
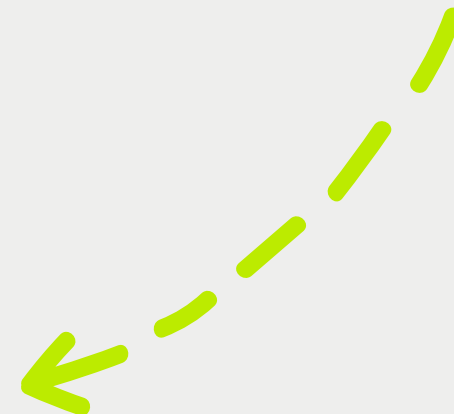
Environment

Market trends impacting the asset finance broking industry

				
	Societal trends	Economic trends	Key business trends	Technology trends
	<ul style="list-style-type: none"> • Return to face-to-face with increased use of online communication platforms • Low business and consumer confidence • Low unemployment and evolving workforce 	<ul style="list-style-type: none"> • Increasing rates environment • Instant asset write-off impact • Ongoing shadow of fraud and money laundering risk impacting regulation 	<ul style="list-style-type: none"> • Hang-over from supply chain issues impact on lead times • Increased demand for used assets (due to supply chain and other shortages) • Move to green assets 	<ul style="list-style-type: none"> • Availability of online comparison information online and increasing expectations of 'time to yes' • Emergence of Artificial Intelligence as a disrupter • Privacy and cybersecurity
 OPPORTUNITIES	<p>Identify potential from existing clients and consider diversification opportunities</p> <p>Nurture referrals through networks and expanded partnerships</p>	<p>Utilise aggregator and lender tools, training and info sessions to stay on top of compliance requirements and product updates</p> <p>Tap into small business demand generated by instant asset write-off</p>	<p>This can be an opportunity to diversify your supplier base, spreading risk and potentially finding more cost-effective alternatives</p> <p>Establish informal and formal partnerships with other experts to take advantage of market shifts</p>	<p>Technology can be used to create business efficiencies, manage workflows and reduce time on admin</p> <p>Utilise custom-built asset finance systems for client data security</p> <p>Data-driven targeted marketing</p>
 CHALLENGES	<p>Increased need to be flexible to the interaction preferences of core prospects and clients</p> <p>Finding, attracting and nurturing new talent/employees</p>	<p>Time and effort needed to stay on top of compliance requirements and lender policies</p> <p>Keeping pace with changing loan products and government initiatives impacting demand</p>	<p>Still some long lead times from opportunity identification to closing a deal</p> <p>Risks if specialisation is in heavily-impacted asset classes</p>	<p>Client 'self-research' driving unreasonable expectations re: rates and fees and meeting 'time to yes' expectations</p> <p>Time and perceived effort to adopt new technology may be overwhelming</p>

Focus areas vary by business stage

BUSINESS STAGE	 Launching	 Established	 Tapering
FOCUS AREAS	Emerging tech-savvy businesses often using digital lead generation	Well-informed, relationship-focused with strong networks and repeat clients with stream-lined processes contributing to higher revenue than in other business stages	Deep knowledge and strong relationships. Some are succession planning
	Focus on client relationships, establish referral networks. Utilise mentors and aggregator BDMs to keep learning about the industry and how to develop and grow. Rely on aggregator to support compliance requirements	Consider strategic decisions re: expansion into new markets vs focus on profit. Review in-house versus outsourcing arrangements. Develop plans for specialised staffing (e.g. marketing) and how to ensure long-term commitment from high-performing staff	Consider business direction; either, bringing in junior partners, partnering with another business or selling and winding down



Key insights

Uncovering the traits of successful asset finance brokers

FOSTERING KNOWLEDGE



Specialised expertise from aggregator BDMs is essential for growth.

Aggregator BDMs offer specialised knowledge of asset finance with industry experience in products and policy, compliance and risk management and fraud detection.

High performing asset finance brokers liaise with aggregator or lender BDMs to stay informed about industry trends, regulations, and engage in scenario workshoping to stay ahead of the game and adapt to different client needs.



Leading brokers access broad educational content from their aggregator.

Providing a quality service to clients requires a solid, up-to-date understanding of what products are available in the current market.

Professional development days hosted by aggregators and lenders provide the opportunity to learn.

BROKER FUNDAMENTALS



Timely and accurate commission payments are the foundation of any brokerage.

Across the sources of income associated with a deal, brokers report that commissions are the most important income source with timely and accurate payments being crucial.

However, for successful brokers, transparent and equitable VBI agreements begin to form part of financial expectations.



Aggregators help brokers effectively navigate evolving regulatory demands.

Staying up to date with accreditations and compliance requirements takes time but is integral to continue to provide expert guidance to clients.

Leading brokers utilise aggregators to make it easier, focusing on a CRM and asset finance platform with built-in compliance tracking and auditing.

TECHNOLOGY AND SYSTEMS



Digital marketing improves client engagement.

Marketing related technology and systems such as targeted messaging and custom websites can generate new business, but most brokerages aren't fully utilising them.

You can get an edge over other businesses by implementing these tools.



Functional Customer Relationship Management (CRM) systems improve operational efficiency.

Tech and streamlined processes are critical to an efficient brokerage. Asset Finance brokers using mortgage broker CRMs are not fully optimising their business.

Using a CRM system and other tech tools customised for asset finance means more time to focus on client-facing work and helps to drive success.



Specialised expertise from aggregator BDMs is essential for growth.





71% of brokers agree that specialised knowledge of asset finance is a key attribute for an aggregator BDM to have – this expertise is critical in supporting the broker to grow and deepen client relationships.

Quickly changing interest rates (38%) and industry-specific regulation (41%) are all big challenges facing brokerages right now.

Role of BDMs in supporting brokers



57% say **scenario workshoping and advice from aggregator BDMs** is critical to growth.

Top 3 traits for assessing BDMs

- 1 Knowledge** of asset finance
- 2 Speed** in reaching them
- 3 Support** in dealing with lenders

Question C4: “Which three are the most important for being a successful broker?”

Question C9: “Which of the following are most important for judging the usefulness of an aggregator BDM?”

Sample: Online survey, unweighted, n=108

“With rates and policies changing every month, you need to have high awareness and a lot to be on top of.

Connective member, mid tenure



Connective has BDMs that specialise in asset finance and who can be your one-stop-shop for all things compliance, interest rates, and products.



BDM PROFILE

We help provide value to asset finance brokers by:

Helping to facilitate deal workshoping and scenario support – using my specialised asset finance experience, I help brokers with complex scenarios, as well as providing insights around lender nuances and broker portals.

Organising networking events and opportunities between other asset finance brokers, as well as lender partners.

Act as an extension of the brokers business - supporting them with ideas around business growth including where and how to source new business.



Alyssa Baird

Connective Asset Finance
Business Development
Manager – VIC, SA, TAS

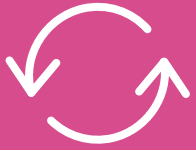
“ Sometimes you get a scenario and just don't know what to recommend. I'll text or call the BDM to brainstorm and they can always help. It's great to have that sounding board and back and forth dialogue with the BDM.”



Melanie Carter

Director, Advance Lending
Connective member





Leading brokers access broad educational content from their aggregator.





More than 82% of brokers expect product updates from lenders at professional development days.

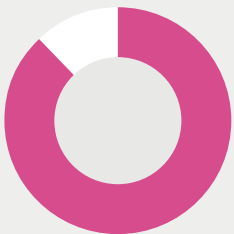
Successful brokers get an edge on the competition with timely updates on industry and lender news and changes by attending professional development days, which helps them continue to provide the best solutions to clients.

In demand topics at these events include:

- Product updates from lenders
- Specialised asset finance topics
- Industry updates and market outlook
- Business growth hints and tips
- Compliance workshops
- Leadership and personal development

Keeping up with product information is a top challenge for 30% of brokerage businesses.

Broker expectations of professional development sessions



88% think aggregators need to actively **provide resources, training and support.**



78% of brokers expect **topics unique to asset finance.**

Chart source: C12 – “What topics do you expect to see covered during professional development sessions? Select all that apply.”

Sample: Online survey, unweighted, n=108



Connective offers an award-winning Learning and Development Program that connects brokers with thought leaders and business experts and supports professional growth.



TOP TIP

Experience the insights of successful asset finance brokers by exploring our Connective Learning and Development offering below:



Digital Education Program

10 webinar series offering a total of 45 webinars across a range of topics

[Find out more](#)



In-Person Education Program

12 flagship in-person events delivered nationally

[Find out more](#)



Timely and accurate
commission payments
are the foundation of
any brokerage.





For 70% of asset finance brokers, brokerage commission is the most important income source from writing deals.

Most valued source of income by broker business stage:

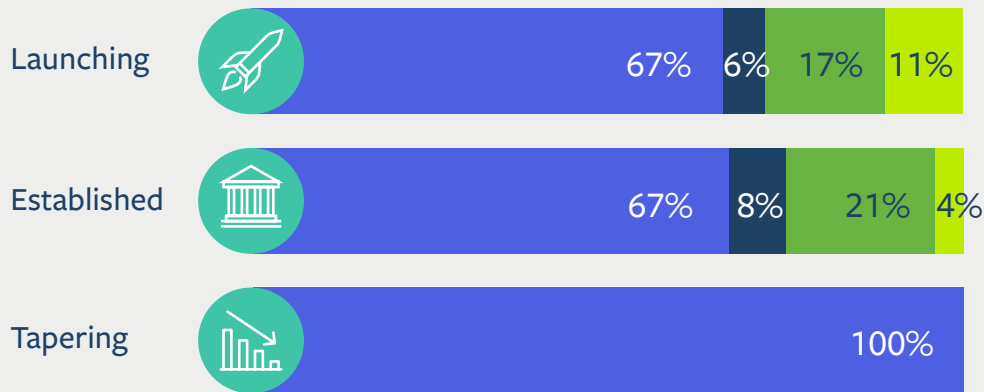
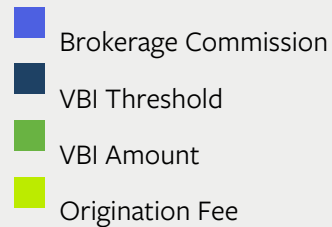


Chart source: C10 – “Thinking about the different sources of income from a deal, which do you value the most?”

Sample: Online survey, unweighted, n=108



Connective Asset Finance offers full commissions, paid daily. On top of that, we offer market leading VBI payments.



VBI & COMMISSIONS

At Connective Asset Finance, we pass on VBI to our brokers to reward you for your efforts. If you have any questions, get in touch with one of our BDMs to find out more about our VBI and commission structure.

[Get in Touch](#)

“ There are a few aggregators that don’t pass on VBI. So, your only revenue stream is your brokerage ... We understand a fair chunk of what goes on behind the scenes. The smart aggregators like Connective are going to continue to grow their market share out of their simple communication about VBI.



David Traynor

Managing Director, Regional Finance Solutions
Connective member

“ Basically, the commission structure I came from with my previous aggregator was 70/30. When a Connective BDM approached me to ask if I was interested in signing up with Connective, I actually laughed when he told me it was 100%. The offer that the BDM gave me via Connective felt too good to be true!”



Geoff Borgas

Director, Finance Kingdom
Connective member



Aggregators help brokers effectively navigate evolving regulatory demands.





84% of brokers agree compliance requirements are more demanding than they used to be.

Changing regulation and compliance



41% of brokers agree that **evolving industry and compliance regulations** pose a challenge to their business.

Chart source: D1 – “What are the challenges facing your business right now?”
Sample: Online survey, unweighted, n=108

“Compliance and training. That’s something you wouldn’t get if you didn’t use an aggregator, so that’s what I find important. Especially because it’s all always changing. Requirements are always changing.

Connective member
Short tenure



Connective’s compliance experts provide guidance and support to help you navigate complex asset finance requirements.



COMPLIANCE SUPPORT

Our compliance support is focused on reducing risk and increasing performance and includes:

- Compliance help desk providing expert assistance
- Comprehensive compliance training
- Online education (webinars and training)
- Connective Wiki covering compliance and risk reduction
- Industry updates including workshops, newsletters and professional development days



“ A lot of the professional development sessions are online, and I watch most of them if they’re relevant to me. They can help to jog your memory or remind you of information you don’t use every day. The face-to-face PD Days are always good to learn about lender products and I follow up in Mercury to find all the different lenders and their policies. That’s really useful. ”

Connective member, mid-tenure



**Digital marketing improves
client engagement.**





While successful brokers are more likely to have built out formal marketing and client engagement systems, only 30% of brokers are using automated marketing tools to send out targeted messaging and provide timely support to clients. More than 38% do not have custom websites to increase the visibility of their business and 35% of brokers who use a website for their business say they are only moderately proficient at managing and utilising it.

Marketing and lead generation

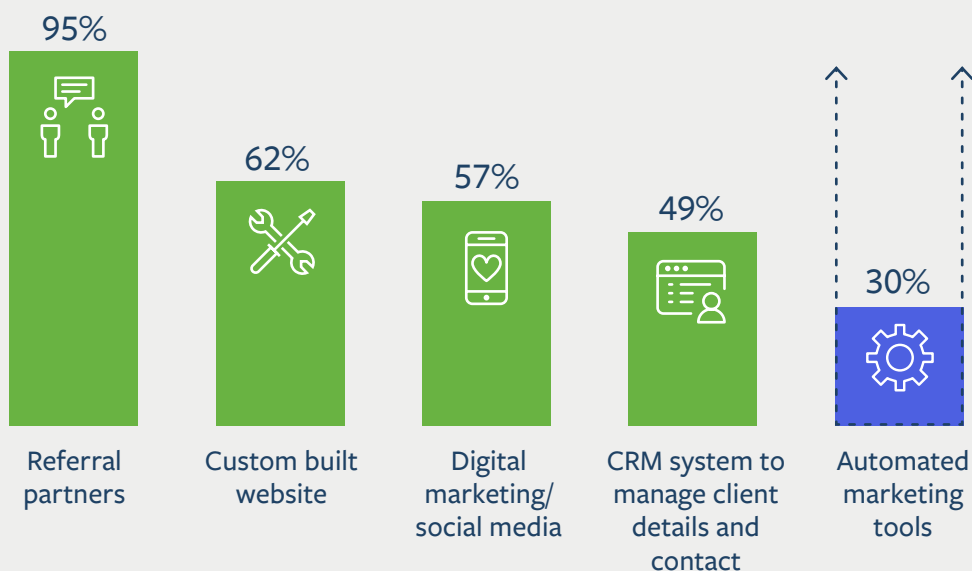


Chart source: "C5 - Which of the following technologies do you use for lead generation and management?"

Sample: Online survey, unweighted, n=108

CHECKLIST



Adopt technology like leading brokers and drive efficiency by integrating a digital marketing platform such as Connective's Digital Marketing Hub (DMH), which can help you take client engagement to the next level. An integrated marketing hub allows you to:

- Personalise communications to each client
- Segment your clients based on financial profile or behaviour
- Build trigger campaigns based on the stage of your clients' financial journey
- Track how your clients engage with email campaigns.

Talk to one of our BDMs to discuss Digital Marketing Hub

[Get in Touch](#)

“Working with Connective Asset Finance means we can focus on service—understanding what the customers need—and save a lot of time and hassle delivering it.”



John Ryan

Owner, Transport Finance
Connective member





**Functional CRM systems
improve operational
efficiency.**





38% of brokers suggest the most important element of a CRM is to be purpose-built for asset finance, whilst 29% of brokers suggest a user-friendly and easy to use CRM is of value.



The Connective Asset Finance CRM is designed specifically for asset finance brokers, and it helps manage Commercial and Consumer Asset Finance opportunities, people, and data all in one place making it easy to stay on top of your game.

Most important elements of IT & CRM systems

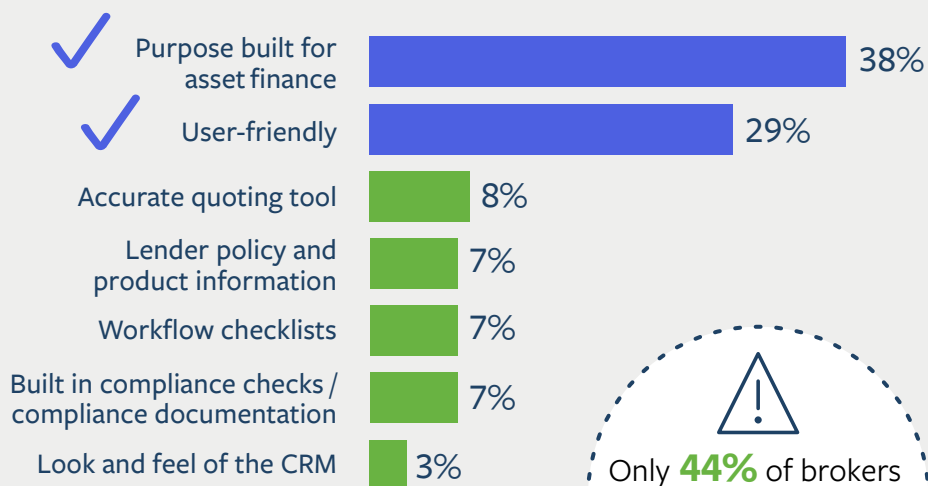


Chart source: C7 – “Which of the following is most important for judging the quality of an IT system or a CRM?”

Sample: Online survey, unweighted, n=108



CHECKLIST

Successful asset finance brokers integrate Asset Finance CRMs into their strategy, which enables you to:

- Capture leads digitally
- Manage opportunities, clients and client data end-to-end from lead to deal close
- Develop multiple quotes quickly and accurately to compare options for your client
- Automate client emails and document requests
- Manage workflows using an online planning tool, that gives you a full view of all your opportunities and a calendar and scheduling system
- Extract data to understand your deal trends and opportunities
- Integrate with email systems to send marketing information to your prospect and client base



“Connective’s platform is easy to use, and the Quoting Tool within Mercury Nexus has helped me remember the policies and processes across all the consumer and commercial lenders that I regularly use.”



Nicholas Gleeson
Director, Premier Asset Finance
Connective member

Methodology

Research background

As a leading Australian asset finance aggregator, Connective Asset Finance is keen to support the industry and share relevant insights about opportunities and challenges faced by brokers.

The research summarised in this report was conducted by an independent market research agency (Whereto Research) and was designed to:

- Highlight key trends impacting the industry;
- Explore the experiences of asset finance brokers at different stages of their career to provide practical insights into the experience for others to consider; and
- Understand broker expectations of aggregators so that we can tailor our offer where relevant.

The research was primarily conducted with asset finance brokers with a commercial specialisation.

Data collection was based on:

1. Discussions with n=29 brokers via in-depth interviews or discussion groups conducted in March and April 2023.

2. A 15-minute online survey with n=108 brokers via invitations from Connective and CAFBA (Commercial Asset Finance Brokers Association) conducted in May 2023.
3. Discussions with four senior asset finance managers or executives from lenders in May 2023.

Survey respondents were entered into a prize draw for their participation, and those attending discussion or interviews were offered a cash incentive (or donation to a charity of their choice) for participation.

Survey content

Business firmographics
.....
Market landscape
.....
Business attitudes and working preferences
.....
Tools needed for success
.....
Ways of working and information sources
.....
Business life stage
.....

Discussion guides

Background
.....
Experience and business details
.....
Barriers and enablers to success
.....
Lessons learnt and approach to business planning / future proofing
.....
Expectations of lenders / aggregators
.....
Market landscape
.....

Our recommendations

Putting together a winning strategy

Adopt the following recommendations to grow your brokerage and reach the level of leading asset finance brokers.

1. Focus on networking and commit to building relationships

Get in touch with a Connective Asset Finance BDM and engage in scenario workshopping to adapt to different client needs and stay informed about industry trends. Attend aggregator and lender events to meet new people and stay up to date with new products and policies.

2. Optimise and manage broker fundamentals

Allocate dedicated time to stay up to date with accreditations, compliance, and industry regulations. Also, ensure your commission payments are reliable and accurate with a focus on VBI to boost income.

3. Invest in specialised asset finance technology and tools

Prioritise investments in specialised asset finance CRM systems and automation tools. This technology will not only enhance your efficiency but also enable you to implement automated marketing strategies.

By following these recommendations, you can position your asset finance brokerage for success.





Speak to a Connective Asset Finance Business Development Manager to find out how we can help you become more successful.

Call us 1300 65 66 37

November 2023

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